

# Lesotho - Enterprise Survey

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# Overview

## Identification

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**COUNTRY**

Lesotho

**EVALUATION TITLE**

Enterprise Survey

**EVALUATION TYPE**

Independent Evaluation

**ID NUMBER**

ESR1

## Version

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**VERSION DESCRIPTION**

Anonymized dataset for public distribution

## Overview

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**ABSTRACT**

The 2011 MCA-Lesotho baseline enterprise survey is a national survey of enterprises. The main objective of the survey was to assess the current status of businesses in Lesotho, in relation to four principal factors, namely, water supply and sanitation, essential health services, investment climate in the country, land administration and modernization of the commercial legal system. The survey used a single-stage stratified sampling design in which stratification was done by rural/urban, industrial classification and size of enterprise.

Most enterprises had been in business for slightly less than 10 years and reported that the registration process was lengthy, costly and difficult. The enterprises had more male workers than female workers and had more males as top managers. Most enterprises reported own savings as their first most important source of start-up capital. Majority of enterprises did not know about the credit bureau and did not use financial institutions to secure loans. Generally, enterprises procured their products from local wholesalers and retailers and conducted transactions using cash over the counter as the most common mode of payment to suppliers. With respect to type of land ownership, the largest proportion (37.5%) of individually-owned enterprises was Form C holders, followed by tenant enterprises or those that rented business premises (31.3%). In terms of the acquisition of land/business plots, 43.5% of the enterprises had acquired land/plots through customary allocation by customary chiefs, followed by those that had purchased plots through transfer from someone (22.3%). Most individually-owned enterprises (48.4%) had also acquired plots from customary chiefs, followed by plots that were purchased from someone else (21.3%). In contrast, most jointly-owned enterprises had acquired plots through transfer from someone for cash (32.6%), followed by public sector agency grants (26.3%).

A significant proportion (69.8%) of enterprises did not have formally registered titles/documents to the premises that they used; The top reason for opting to rent/sublease business premises was not intending to acquire land, which was mentioned by 35.1 percent of enterprises. The second reason was of enterprises that did not qualify to hold land in Lesotho, which was mentioned by 23.2 percent of enterprises

Majority (67.2 percent) of enterprises did not have occupational insurance. Over 50 percent of the enterprises did not have all the policies. Workers in 83.5 percent of all enterprises did not have access to a health and safety officer. In 88.3 and 91.7 percent of all enterprises, workers did not have access to a counselor and services of a Social Worker, respectively. Workers in 32.6 percent of all enterprises did not have break hours. As high as 86.4 percent of the enterprises lost between one (1) and 30 days to sick leave in the last twelve months. Majority of enterprises (84.5%) provided neither educational programmes/activities nor ARVs to their workforce.

**UNITS OF ANALYSIS**

Enterprise

**KIND OF DATA**

Sample survey data [ssd]

**TOPICS**

Topic	Vocabulary	URI
Other	MCC Sector	
Gender		

**KEYWORDS**

Land Tenure, Sales, Access to finances, Ownership, Workers' policy, Lesotho, enterprise

## Coverage

**GEOGRAPHIC COVERAGE**

The survey was designed in such a way that the sample of enterprises provides estimates at the national level, for urban and rural areas and by industry sector of enterprise (Retail, Service and Manufacturing). All 10 districts of Lesotho were covered.

**UNIVERSE**

The population of interest was all registered enterprises in Lesotho. The number of total registered enterprises was 6,758 enterprises.

## Producers and Sponsors

**PRIMARY INVESTIGATOR(S)**

Name	Affiliation
National University of Lesotho	

**OTHER PRODUCER(S)**

Name	Affiliation	Role
Millennium Challenge Account Lesotho		Overall Coordination
Millennium Challenge Corporation USA		Funding

**FUNDING**

Name	Abbreviation	Role
Millennium Challenge Corporation USA	MCC USA	Funding Agency

## Metadata Production

**METADATA PRODUCED BY**

Name	Abbreviation	Affiliation	Role
Millennium Challenge Corporation USA	MCC USA		Funding Agency
Millennium Challenge Account Lesotho	MCA-L		Project Management

**DATE OF METADATA PRODUCTION**

2014-08

**DDI DOCUMENT VERSION**

Version 1 (2014-8-26)

**DDI DOCUMENT ID**

DDI-MCC-LSO-Enterprise-2014-v1

## MCC Compact and Program

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### **COMPACT OR THRESHOLD**

Lesotho Compact I

### **PROGRAM**

The Government of United States of America acting through the Millennium Challenge Corporation ("MCC") and the Government of the Kingdom of Lesotho (the "Government") entered into an agreement, (the "Compact") for Millennium Challenge Account assistance to help facilitate poverty reduction through economic growth in the Kingdom of Lesotho with the amount of \$362.5 Million USD ("MCC Funding"). The Government then established MCA-Lesotho as an entity to implement all Compact programme components under the three sectors of Health, Water and Private Sector Development. The Entry into Force (EIF) of the Compact was celebrated by both Governments on 17th September 2008 in Maseru, the capital of the Kingdom of Lesotho and closed September 2013.

### **MCC SECTOR**

Other (Other)

# Sampling

## Study Population

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The population of interest was all registered enterprises in Lesotho. The number of total registered enterprises was 6,758 enterprises.

## Sampling Procedure

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The sampling design was a three - stage stratified sampling design in which the country was stratified in three levels - district as first level of stratification, urban/rural as second level and enterprise size as third level. The enterprises within the sub-strata were the sampling units. The rural/urban strata at national level were the smallest domain of study for which reliable estimates were required. Selection was only done at last stage of stratification.

Power calculations determined a required sample size of 960 enterprises from the total universe of 6,758.

The enterprises were categorized into two groups for purposes of sample allocation, the large enterprises and the other enterprises. The 92 large enterprises were each assigned probability of 1 so that all were included in the sample. The medium, small and micro enterprises were further grouped into rural and urban enterprises and urban and rural sample allocations determined using power allocation as follows:

1. Large enterprises were subtracted from the total enterprises ( $6758 - 92 = 6666$ )
2. The enterprises were categorized into rural/urban ( $N_{rural} = 3542$ ,  $N_{urban} = 3124$ )
3. The large enterprises were removed from the computed sample ( $960 - 92 = 868$ )
4. The remaining sample 868 is allocated to rural/urban using the power ratio - with 448 for rural and 420 for urban.

Within each district, the enterprises were stratified into urban and rural enterprises. They were then stratified by size: micro enterprises (<5 employees), small enterprises (5 - 9 employees), medium enterprises (10 - 49 employees), and large enterprises (50 and above employees). A systematic sample of enterprises was selected from each size category except the large enterprises which were all included into the sample.

## Response Rate

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In summary, out of the targeted sample of 926 enterprises, 724 of them were reached giving a response rate of 78.2%. A total of 679 enterprises were successfully completed representing a completion rate of 73.3%. Non response was reduced by Research Assistants motivating the respondents to cooperate and ensuring confidentiality. Some of the non response was due to Researchers not giving prior notice to the enterprises.

## Weighting

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Methods and variables used in weighting: Design weights were computed from the sample information as the base weight adjusted for the response rate under each activity and size of enterprises. Base weights were calculated as the inverse of probabilities of selection of the enterprises.

# Questionnaires

## Overview

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The principal instrument used to collect primary data was the structured questionnaire which was administered through face-to-face interviews. The development of data collection tools was based on the information needs and expectations of the MCA-Lesotho and its stakeholders. In order to address the diversity in the operations of manufacturing and retail/services enterprises, two separate modules were developed, one for manufacturing and another for retail/services sectors. The set of data collection tools therefore consisted of the core questionnaire plus manufacturing and retail/services modules. A pretest was conducted by Area Supervisors who conducted one-on-one interviews at enterprises and contributed to improvement of the questionnaires.

## Data Collection

### Data Collection Dates

Start	End	Cycle
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### Data Collection Mode

Face-to-face interviews were used to collect data.

### Questionnaires

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### Supervision

The field organization was in 6 research teams with 6 Overall Supervisors, 16 Area Supervisors and Enumerators. Provision was made for follow-ups/callbacks of enumerators with the support of the area Supervisors. Translators were used for Chinese and Indian enterprises whose managers did not speak English. Data analysis was done using SPSS and it was mainly descriptive.

# Data Processing

## Other Processing

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Data processing involved the design of data entry form, data capturing, data editing and cleaning, and data documentation. The data were captured in 15 microcomputers using a data form designed with Microsoft Visual Studio 2008. Some of the computers were used for data capturing and others for data verification. Data cleaning rules were developed and used to clean and edit the data. The data were then captured, validated, edited, cleaned and converted into Statistical Package for Social Scientists (SPSS). Data analysis was done using SPSS and Microsoft Excel software packages.



## Data Appraisal

No content available